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Date: 10 MAY 1979 By: 022

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6. AGUIRRE asked for an explanation of the interview between Don Juan and General FRANCO. VEJARANO replied that while the Pretender approved the Monarchist-Socialist contacts, he had not participated in any agreement and therefore was free to talk with FRANCO, at the request of the Caudillo. Don Juan granted the interview upon the suggestion by Army officers that before establishing contacts with the democratic elements the Pretender should make an effort to arrive at an agreement with FRANCO. By this procedure he had put himself in a position later to say to the Army that he had done his part to induce FRANCO to turn over the power. VEJARANO added that there were two elements that could accelerate the fall of FRANCO: first, the continued isolation of the regime from the UN, and second, the abandonment by the military men of hope for outside (financial) aid as long as FRANCO remained, and their consequent turning to Don Juan.
7. AGUIRRE replied that VEJARANO'S remarks were very far from the spirit which had been attributed to the agreement with the Socialists, because they constituted simply a plan to install the Monarchy. He suggested that it would be well to analyze the Monarchist position as to other evolutionary solutions: for example, a military directorate which might take the power from FRANCO. VEJARANO rejected the idea of a military directorate, although he conceded that with civilian elements it might constitute an acceptable government to normalize the interim situation.
8. VEJARANO said that the Monarchists wanted the collaboration of all the democratic anti-Communist political, social and regional groups, in spite of strong objections from conservative Monarchist circles.
9. AGUIRRE explained that the Basque Government-in-Exile, which he said represents the last free expression of the Basques, will not give up its mandate until the people, in a free election, ratify or change it. From this it follows that the Basque Government can neither make a pact nor commit itself to anyone before the people have shown their will. However, the Government leaves the political parties which compose it free to make whatever commitments they desire, arriving at whatever agreements may be necessary for the ultimate objective of opening ways for the free expression of the popular will. All the parties would favor autonomy in an election. If in order to achieve a free election they believe it opportune to make a pact with the Monarchists, they may do so. AGUIRRE emphasized the Basque position that autonomy was not a gift obtained during the Civil War to reward Basque resistance, but that it was the result of a long process of negotiation, beginning in 1931 and terminating with the approval of the Statute of Autonomy by the Parliamentary Commission of Madrid, prior to the Civil War. AGUIRRE said that the Basque people felt toward the Monarchy an infinite suspicion (sic), and therefore would be inclined toward a republic. He himself, he said, favored the republican system, believing that the future was going in that direction rather than toward the restoration of monarchies. VEJARANO asked what AGUIRRE'S reaction would be if the Monarchy recognized the aspirations of the Basques. AGUIRRE replied that it was his belief that any formula which accepted the results of the free expression of the Basque people's will would have a good reception. He warned that it would be useless to speak of purely administrative autonomy, such as administration of roads, sanitation and other like matters. Autonomy would have to be political. VEJARANO assented, insisting that Basque demands could be fully satisfied.
10. VEJARANO said that the liaison committee shortly to be formed was the most important part of the agreement with the Socialists. He named the persons who so far had been designated to form the committee. Comment. The same persons were mentioned as have previously been reported in except that Trifon GOMEZ, representing Indalecio PRIETO, was cited instead of PRIETO, whose health is very poor. Also VEJARANO did not specifically

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cite ANSALDO.) AGUIRRE asked why the Duke of ALBA or similar personalities were not members of the committee, if they were in favor of the accord with the Socialists. VEJARANO answered that the Duke of ALBA, General KINDELAN and General ARANDA, among other persons, had definitely supported the accord; that the Duke of ALBA was unable to obtain a passport to leave Spain, but that it was possible that both he and KINDELAN would come to France if they succeeded in obtaining passports. General ARANDA'S interest was demonstrated by the fact that he had delivered to the Embassies in Madrid a document in which Don Juan (sic) committed himself to respect the terms of the accord, if the Monarchy were restored. ~~_____~~ Comment. ~~_____~~ reported that delivery of such a Monarchist note to the US, British and French Embassies in Madrid had been made on 15 November 1948.)

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11. AGUIRRE inquired as to the Monarchists' progress in penetration of the Army. VEJARANO replied that it was slow, but satisfactory. Military support he said, would come en masse along with the adherence of the leaders who still are hesitating. Among them he cited Generals Juan YAGUE Blanco, Miguel PONTE y Manso, and Jose SOLCHAGA Zala. Dismissing the pro-FRANCO Monarchists as being no obstacle to a transfer of power, VEJARANO said that in his judgment the most important task for the Monarchists was a rapprochement with the democratic opposition elements.
12. Returning to the liaison committee, VEJARANO said that even if there were another interview between Don Juan and FRANCO - a distinct possibility, he thought- and an agreement reached for the transfer of power, nothing would be done without the Liaison Committee's knowing its terms and conditions. The Liaison Committee, he assured AGUIRRE, would have the opportunity to accept or reject the arrangements.

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